

Chronic Poverty in South West Madhya Pradesh: A Multidimensional Analysis of Its Extent and Causes

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1. Introduction

The Context

The structuralist perspective envisages poverty, especially in rural India, as a long duration phenomenon. Over time, most of the structural features of poverty have remained more or less intact. As a result, a large proportion of the poor in India are also chronically poor in terms of duration as well as severity (Mehta and Shah, 2002). Economic growth achieved through the processes of planned development since the early fifties, have made a significant dent in the incidence of poverty measured in terms of average expenditure of the households. Thus, incidence of poverty in India declined from 52 per cent in 1977-78 to 39 per cent in 1987-88 and further to 36 percent in 1993-94 and 27 per cent in 1999-2000 (Hirway and Dev, 2000). This suggests a substantial impact in terms of poverty reduction at an aggregate level. The impact, however has been fairly varied across regions and households. Three different trajectories can be visualized for those

¹ This paper is part of a larger study on Chronic Poverty in Remote Rural Areas in Madhya Pradesh. For further details see Sah and Shah (2003), MPISSR, Ujjain and GIDR, Ahmedabad. The paper draws on inputs from Kate Bird at various stages of the study. The authors are grateful to her. We also thank Ashish Bhatt for providing inputs specifically, for the analysis of local governance.

who were poor in the initial period. These are: (i) crossing over the poverty barrier on a sustained basis, (ii) moving above and below the poverty line, and (iii) always remaining below the poverty line. The households experiencing different trajectories represent non-poor, transient poor, and chronically poor (in duration sense). A fourth category consists of households that have never been poor.

The official statistics on poverty in India do not make any distinction between the two sets of poor i.e. transient and chronic poor, as information on the time line of poverty is not collected. Severity, i.e. the distance from the poverty line, is another important dimension of (income) poverty. Combining these two criteria might therefore provide a fairly comprehensive profile of poverty and well-being. Similarly, profiling (income) poverty in conjunction with the non-economic aspects like human, social, and political capital helps in understanding multi-dimensionality of poverty and inter-relationship between these factors. This paper provides a detailed profile of poverty among rural households and tries to unravel various factors as well as processes that shape poverty conditions among rural households. The study is based in South-West Madhya Pradesh (SWMP), which represents one of the seven regions (classified by the National Sample Survey Organisation (NSSO)) having the highest incidence of rural poverty in India. The analysis is placed in the larger context of the processes of development and marginalisation in the region.

Macro Processes and Framework

The recent discourse in India has highlighted the central role of agricultural growth in poverty reduction (Ravallion, 2000; Fan and Hazell, 2000). The evidence from a number of studies suggests that while the percolation mechanism has worked in terms of reducing the incidence of poverty, its impact on pace and coverage has been limited. To a large extent, this is linked to the strategy of agricultural growth, characterized by the Green Revolution, and the priorities associated with that. Unfortunately, there is a logjam of several of these discriminatory forces in some parts of India, such as the central and eastern parts of the country that are characterized by low level of

irrigation, low agricultural growth, forests, hilly terrain, tribal communities, feudal agrarian relations and low political representation. The result is high concentration of poverty in these states viz. Bihar, Uttar Pradesh Assam, West Bengal, Orissa, and Madhya Pradesh.

This suggests the existence of inter-linkages between the natural endowment, social stratification, historical processes of power structure and agrarian relations, political ideology, and the choice of strategy for economic development. While most of these forces are historically determined, the choice of development strategy was also determined by the forces that existed at the dawn of India's independence. A clearer understanding of the genesis of chronic poverty, necessitates a multi-disciplinary approach. This is particularly important in the case of a region such as the South-West MP, which faces multiple discrimination in terms of the resource base, social identity, geographical location, infrastructural development, political representation and developmental interventions. Collectively these factors lead to disadvantages that are characteristic of 'remote rural areas' with high incidence of chronic poverty (Shah, 2002). The present study seeks to examine the status and the causes of rural poverty in South-West MP in the light of the framework presented in Chart 1.

It is envisaged that the macro processes especially, those pertaining to the social and political marginalisation and alienation of people from resources of production in the forest based economies, have resulted in a development strategy, which reinforces the historically existing discrimination in the disadvantaged regions. Three sets of forces may have played an important role in alienating local communities from mainstream economic development. These are: (i) commercialization of forest by bringing the resources under state monopoly since the colonial period, (ii) encouraging non-tribals to undertake settled agriculture and thereby marginalizing the local tribals, and (iii) centrally planned economy with higher priorities accorded to rapid industrialization and technology based agricultural growth in regions with better agricultural infrastructure. In the process, the developmental strategy by-passed agriculturally less favoured rural

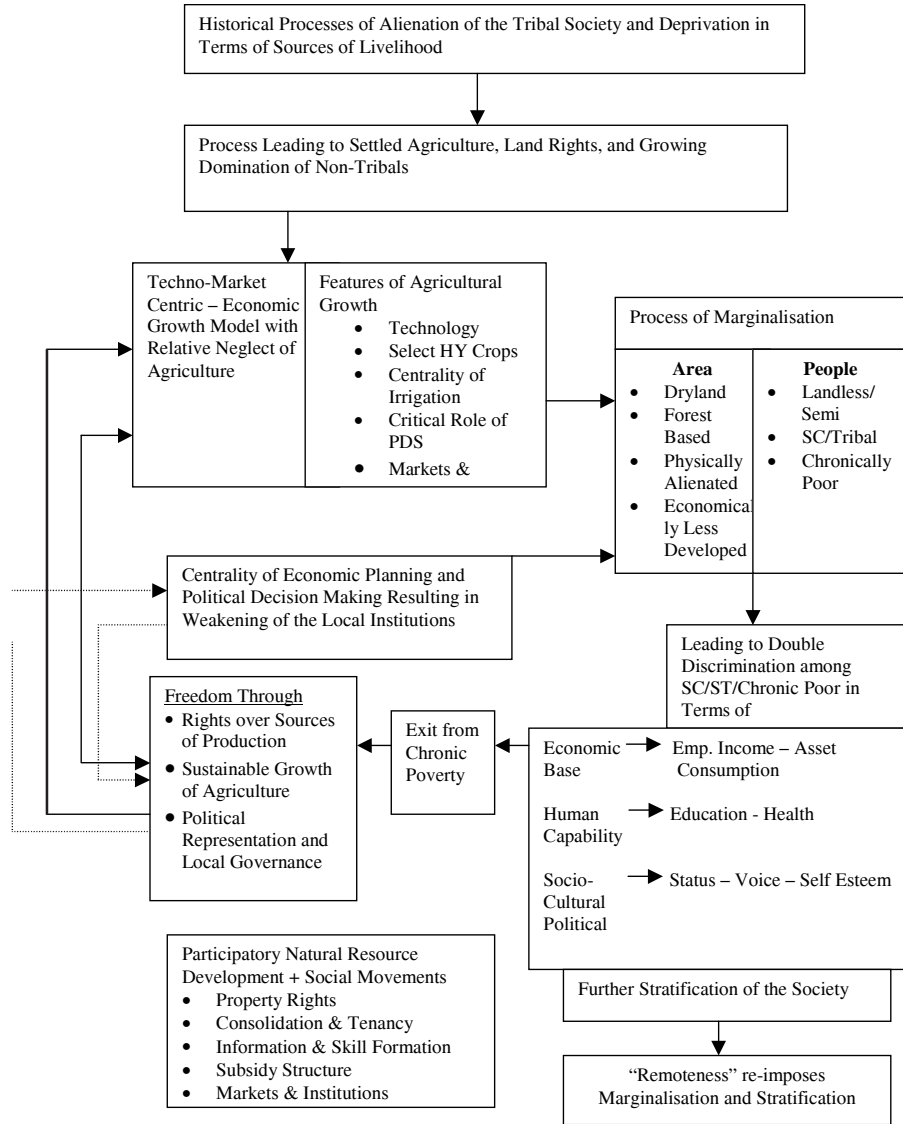


Chart 1: A Tentative (Inter Disciplinary) Approach for Understanding Severe, Long Term and Multi-dimensional Poverty

economies in (a) dry land and (b) forest based regions. The tribals in South-West MP region have faced multiple discrimination in this input intensive and market oriented agricultural growth strategy due to their low bargaining capacity emanating from the low information base and technology adoption, limited access to institutional support system including formal credit system, persisting indebtedness, low social capital, and socio-cultural discrimination due to language and other attributes of tribal identity, thus suggesting a logjam of factors leading to chronic poverty (Bird, et al, 2001).

Geographical and political remoteness may aggravate the situation by widening the gulf between the poor in these remote rural areas and the centers of economic growth. Weakening of the capital base may take place due to further stratification among the local tribal community through some of the developmental interventions like formal education, job reservation, subsidies for ground resources development and other farm inputs, legalisation of encroachment of common property resources, development of roads and modern means of transportation, migration, urbanization, and parallel institutions of local governance. While most of these interventions are essential for development of the marginalized areas and communities, the problem is that these initiatives are tuned to 'mainstreaming' the marginalised, which implies superiority of the centrally planned 'mainstream' growth processes. Mainstream growth processes are inherently iniquitous. It is possible to correct, at least a part of this iniquitous growth process, if it is simultaneously supported by a strong institutional mechanism for policy implementation, local governance, and appropriate political representation.

Exit from this logjam of forces resulting in perpetual poverty among a large proportion of the rural community and increasing stratification requires a multi-pronged approach, which could partly undo the historical processes of marginalisation of people due to monopolization of the forest resources and subsequently through promotion of market oriented agricultural growth. A beginning could be made by reformulating the strategy for agricultural growth based on reinstating people's stakes in and entitlement to the forest and other natural

resources of the region. In turn it may lend the local community greater cultural and political space and pave a way for reshaping of the education and other support system essential for enhancing human capabilities as well as opportunities.

The exit route discussed here, is only indicative, and perhaps its merit lies in highlighting the multidimensionality of the problem of chronic poverty in a remote rural area, the processes causing it, and the approaches needed to get out of it. Given this broad framework the present paper tries to empirically examine some of the issues discussed above.

Objectives and Methodology

The objectives of the study are:

- i. To ascertain the incidence as well as typology of rural poverty in a micro setting within the South-West region of Madhya Pradesh.
- ii. To examine the coping mechanisms and understand the processes that lead to chronic poverty as well as social deprivation, especially the role played by physical remoteness.
- iii. To identify issues for further research.

The study is based on primary data collected through participatory tools as well as a sample survey of households in two villages within Badwani district of SWMP. Badwani district has relatively low level of irrigation with higher proportion of forest area and corresponding tribal population compared to other districts in the region. Sendhawa and Pati talukas were selected to represent relatively high and low level of development especially in terms of agricultural productivity as well as markets. Moreover, Pati has higher proportion (i.e. 83 per cent) of ST population vis-à-vis Sendhawa (i.e. 72 per cent). Similarly, rate of population growth is also higher in Pati as compared to Sendhawa. The average rainfall, irrigation, percentage of net sown area and forest area were lower in Pati, thereby indicating relative backwardness of Pati Taluka vis-à-vis Sendhawa. Pospur in Pati Taluka and Karchali in Sendhawa Taluka were selected for the detailed study based on the criterion of the level of 'remoteness' (in terms of

distance from road, access to all season motored transportation, and extent of irrigation).

The analysis is divided into five sections including the introduction. The next section presents a detailed mapping of the typology of poverty and human capabilities and identifies their correlates using the household level data collected through a sample survey. This is followed by a discussion on livelihood dynamics and coping mechanism in section 3. Section 4 looks into the processes of marginalisation in the light of the state's interventions and recent reforms in Panchayati Raj Institutions (PRIs) in the state. The last section summarises the major findings and identifies research needs.

2. Mapping Poverty in the Study Villages

This section presents a profile of poverty in the sample villages namely Karchali and Pati. The analysis is based on primary data collected through a number of participatory exercises along with a small survey of 84 households during July-August 2002. The households were selected through stratified quota sampling, the strata being ownership of land as well as irrigation. The basic objectives for collecting the primary data were (a) to prepare a typology of poverty and identify the interface between income (i.e. expenditure) and capability aspects of poverty, and (b) to understand the dynamics of chronic poverty and exit route thereof.

Table 1 provides a comparative picture of these two villages in terms of the size, natural resources, social characteristics, amenities and physical infrastructure. It may be noted that both the villages have a significantly large proportion (above 90 per cent) of tribal (Barela) population. It is therefore hypothesized that the difference in livelihood pattern and the poverty outcomes, would mainly be due to two sets of factors viz. (i) quality of land and irrigation; and (b) access to physical as well as economic infrastructure such as road, transport, markets, information services, credit facilities etc. It is further hypothesized that given the limited access to the basic resources for production (i.e. land and water) vis-à-vis household's population (i.e. per capita), out-migration is a critical part of the livelihood strategy

Table 1: Basic features of the Sample Villages

Indicators	Village Name	
	Pospur	Karchali
Distance from taluka headquarter (km.)	15	35
Hamlets (No.)	6	10
Housholds (No.)	200	210
Human population	1,400	1,200
Primary Schools (No.)	3	1
Electricity facility	Yes, available but irregular supply	Yes, available only in one hamlet
State Transport facility (Name of the village and distance from where facility can access)	Osada (3 km) Bhouti (8 km.)	Chachariya (5 km.) Dhanora (8 km.)
Total no. of handpumps (No. of functional handpumps)	7 (7)	15 (9)
Wells for Irrigation (No.)	40-50	75-
Market place (distance from village in km.)	Pati (10) Badwani (15)	Chachariya (5 km.) Dhanora (8 km.) Seghava (35 km.)
Type and name of Panchayat	Group Panchayat Ghusaki, Sarpanch from Ghusaki village	Gram Panchayat Ramkula, Sarpanch from Ramkula village
Main occupation	Agriculture Agriculture labour Other labour Drought relief work Migration	Agriculture Agriculture labour Other labour Drought relief work Migration
Main crop	Cotton Bajri Maize Black gram Green gram	Soyabean Cotton Wheat Sorghum Bajri Black gram Green gram
Faire price shop located at (distance from the village in km.)	Pati (10)	Chachariya (5 km.)

Source: Primary data collected by Participatory Rural Appraisal (PRA) in the two villages.

among both landless and landed households. In turn migration, along with per capita land and irrigation, would explain a large part of the variations in income (or expenditure) across households and over time. And finally, relative remoteness, especially in terms of physical infrastructure, information (or technology) and markets (including credit support) will play a significant role in determining the patterns of labour-force diversification on the one hand and chronicity (in terms of severity as well as duration) of income poverty on the other. The comparative analysis of the two villages is expected to reflect more on the dynamics rather than on the typology of poverty through differential patterns of technology and market support, labour force diversification, and local governance.

2.1 Poverty Mapping in Sample Villages

Wealth Ranking

A wealth ranking exercise was conducted in order to (a) understand the criteria of well-being as perceived by the people, and (b) identify households in different categories of well-being and examine the reasons for changes in the status over time. The categorization was done separately for the present status and also for 10 years preceding this. The wealth ranking exercise was carried out separately for each hamlet (i.e. Falia) so as to ensure people's involvement and accuracy of information. A summary of the information obtained through the wealth ranking exercise has been presented in Tables 2 and 3.

It may be noted, that there have been multiple criteria for defining well-being of a household. However, almost all the criteria relate to economic status (see Table 2). Apparently, a 'well-off' household is said to possess:

- Five acres of land
- Well with a pump for irrigation
- Two pairs of bullocks
- Land with black soil

Table 2: Criteria for Identifying Well-Being Categories in Sample Villages

Well-Off Households	
1.	Land holding (5 acres with black soil)
2.	Bullocks (2 pairs)
3.	Irrigation
4.	Bank loan
5.	Ownership of silver (1- to 2 kgs)
6.	Title of the land
7.	Daughters (bringing bride price)
8.	No (or limited) migration
9.	Adequate clothing
Medium Households	
2-3 Acres land	
Irrigation	
Silver	
Migration for less than 6 months	
Limited indebtedness	
Poor Households	
<2 acres of land	
No bullocks	
No silver	
No title of land	
Migration for 6 to -10 months	

Source: Primary data collected through Wealth Ranking Exercise.

Table 3: Distribution of Households by Well-Being Categories

Well-being Categories	Karchali		Pospur	
	No.	per cent	No.	per cent
Better-off	46	21.7	5	12.2
Medium	38	17.9	18	44.0
Poor	128	60.4	5	12.0
Severely poor	-	-	13	32.0
All	212	100	41*	100.0

Source: As in Table 2.

* Based on the PRA conducted in one hamlet.

- 1-2 kg of silver
 - Good rapport with the money lender
- and was not forced to migrate.

This reflects more of a wish list rather than the actual status. In reality very few households have all these assets at a time. Notwithstanding these limitations, the wealth ranking exercise came up with clear categorization of households into four categories. It may be noted that the categories are based on subjective norms, hence they may not be strictly comparable across villages and across talukas as well. Given this caveat, we have tried to provide a broad mapping of poverty in Table 3. It is observed that as large as 60 per cent of the households in Karchali were categorized as poor whereas the proportion is 44 per cent in Pospur. This is strange since incidence of poverty should be greater in a more remote village. As noted earlier, a part of this anomaly could be due to non-comparability of categorization of households across the villages. Also, it could be the result of a two-way causation between poverty and migration, which is difficult to resolve in a static context. The difficulty arises when migration at an initial period has been caused by higher incidence of poverty. But, once members of a household start migrating, the situation gradually improves as far as poverty is concerned. The third possibility however, is remoteness resulting in higher severity rather than in higher incidence of poverty. This is what seems to have been reflected in Table 3.

It is observed that whereas about 22 per cent of the households in Karchali are categorized as 'well-off' this proportion is only 12 per cent in Pospur. On the other hand, Pospur has about 32 per cent of the households which are categorized as severely poor. This category of households is not found in the case of Karchali. We also traced the change in well-being status over the last 10 years. To a large extent, the decline in well-being status was attributed to population pressure leading to subdivision of land holdings, especially when information flow and market support are underdeveloped. We will look into these dynamics at a later stage.

Tentatively, the data in Table 3 suggest two broad findings:

- (i) The village with greater remoteness has higher proportion of households under severe poverty and that, these households have continued to remain so, over time. Compared to this, the less remote village has a higher incidence of poverty with less severity as a larger proportion of households have moved down from well-off and medium to the category of poor. Thus, if viewed from a dynamic context, Pospur depicts a relatively more acute situation of poverty than Karchali, both in terms of severity as well as duration rather than the incidence. To an extent this could be attributed to the relatively better resource base as well as connectivity in the case of the latter.
- (ii) However, in absence of the measures to further support the initial advantage of being less remote, Karchali might also slip down to the situation in which Pospur is presently placed, by sheer increase in population.

A detailed typology of poverty based on primary data collected through a survey of 84 households in the villages studied is presented below.

2.2 Typology of Poverty among Sample Households

This section tries to identify households in four categories of income (expenditure) poverty and the changes that took place during the reference year i.e. 2001-02, which was the third consecutive drought year in the region. We have also tried to capture fluctuations in cereal consumption for five years including the reference and the normal years. This information does not help to construct comparable income (expenditure) line over time for (a) cereal consumption is only a part of the three major components of household consumption besides non-cereal food items and other basic requirements such as clothing, transport, social expenses, etc., (b) even among the poor, cereal consumption is likely to get affected last. Hence, it may not reflect the decline in consumption of other food items like vegetables, milk, oil on the one hand and other expenses like clothing on the other.

Nevertheless, it may help to capture the differential impact of droughts across households.

Given these limitations, we have estimated total expenditure of sample households by adding up reported consumption of the three sets of commodities during the reference year and a normal year (see Table 4 (a)). It is observed that (i) the average annual expenditure during the reference year ranges from Rs. 19,709 to Rs. 20,560 in Pospur and to Rs. 21,653 in Karchali, and (ii) cereal consumption constitutes about 27 per cent of the total expenditure in Pospur, and 32 per cent in the case of Karchali (Table 4 (b)). The decline in the proportion of expenditure on cereal consumption along with increasing expenditure groups in Pospur is less compared to that of Karchali. This might

Table 4 (a): Average Expenditure on Three Major Sets of Consumption (Reference Year)

Expenditure Groups	Cereal	Other food	Other exp.	Total exp. (Ref. Year)
Pospur				
(i) Severe Poor <1,000 (2)	2,100	2,751	1,787	6,638
1,000-1,500 (7)	3,300	3,230	3,235	9,765
1,500-2,000 (4)	4,050	3,412	5,905	13,367
(ii) Moderate Poor (18) 2,000-2,950	6,303	8,228	14,115	28,647
(iii) Non-poor >2,950 (16)	6,000	4,652	6,572	17,224
All (47)	5,382	5,622	8,703	19,709
Karchali				
(i) Severe Poor < 1000 (-)	-	-	-	-
1,000-1,500 (-)	-	-	-	-
1,500-2,000 (6)	6,700	3,674	4,816	15,190
(ii) Moderate Poor 2,000-2,950 (22)	6,368	7,128	5,585	19,082
(iii) Non-poor > 2,950 (9)	8,666	9,404	14,177	32,249
All (37)	6,981	7,121	7,550	21,653
Combined for two villages	6,086	6,283	8,195	20,560

Table 4 (b): Percentage Distribution of Three Sets of Consumption in Total Household Expenditure by Expenditure Class (Reference Year)

Expenditure Groups	Pospur				Karchali			
	Cereal	Other food	Other	All	Cereal	Other food	Other	All
< 1000	31.6	41.5	28.9	100	–	–	–	–
1000-1500	33.8	33.1	33.1	100	–	–	–	–
1500-2000	30.3	25.5	44.2	100	44.1	24.2	31.7	100
2000-2950	34.8	27.0	38.2	100	33.3	37.3	29.3	100
> 2950	22.0	28.7	49.3	100	26.9	29.2	44.0	100
All	27.3	28.5	44.2	100	32.2	32.9	34.9	100

suggest relatively stronger impact of droughts in Pospur as compared to that in Karchali. This aspect has been examined in Table 5.

The estimates of total expenditure have been used to identify the poor in different categories. This has been estimated on the basis of the prevailing official norm for defining the poverty line, i.e., Rs.245

Table 5: Distribution of Sample Households by Levels of Poverty During Reference and Normal Years

Levels of Poverty (Rs. Per capita/Year)	Pospur		Karchali	
	Reference year	Normal year	Reference year	Normal year
I Severely poor	(27.6)	(17.0)	(16.2)	(13.5)
< 1000	2	–	–	–
1000-1500	7	3	–	–
1500-2000	4	5	6	5
Sub-total	13	8	6	5
II Moderate Poor	(34.0)	(29.7)	(59.4)	(59.4)
2000-2950	16	14	22	22
All poor	29 (61.7)	22 (46.8)	28 (75.7)	27 (72.9)
III Non-Poor	(38.3)	(53.2)	(24,3)	(27.0)
> 2950	18	25	9	10
All	47 (100)	47 (100)	37	37

Source: Primary Survey of Sample Households.

* Figures in parentheses indicate percentage to total household.

per capita, per month. The annual per capita expenditure works out to about Rs. 2,950, which has been used as the cut-off for identifying the poor and non-poor households. Initially, the sample households were grouped into five expenditure classes, which in turn have been classified into three broad categories viz. severely poor, moderate poor, and non-poor. Table 5 provides distribution of households across different expenditure classes during the reference year. It is observed that about 62 per cent of the sample households in Pospur and 76 per cent of the sample households in Karchali were poor at different levels of severity. Overall the incidence of poverty is 68 per cent taking the two villages together. About 28 per cent of households in Pospur were severely poor, and defined as having a per capita income of less than Rs. 2,000 per annum. In Karchali, this proportion is 16 per cent. These results, by and large, corroborate the pattern that emerged from the wealth ranking exercise, which indicated a significant proportion (i.e. 32 per cent) of severely poor households in Pospur but not in Karchali.

We tried to examine the impact of droughts by comparing the pattern of consumption expenditure with that in a normal year. It is observed that as many as 14 (out of 47) households in Pospur had reported higher expenditure on cereal consumption during a normal year vis-à-vis a drought year (i.e. the reference year). This kind of shift was found to be limited to only two households in the case of Karchali (Table 5). This substantiates the earlier observation of relatively stronger impact of droughts in Pospur as compared to Karchali. Of the 16 households experiencing a decline in expenditure during a drought year, 8 households had shifted from the category of non-poor to poor- 7 in Pospur and 1 in Karchali. This implies a transitory nature of poverty among these 8 households. These households constitute about 12 per cent of the total 57 households identified as poor during the reference year. The remaining 49 households (88 per cent of the poor) could be treated as chronically poor. It may be noted that this is a gross underestimation of transient poverty as it is based on decline in only cereal consumption for want of information on changes in other expenditure.

Finally we have tried to create a four way classification of poor by

combining the level and time dimension (or chronicity) of poverty. This includes severe and chronically poor (SCP), moderate and chronically poor (MCP), severe but transient poor (STP), and moderate but transient poor (MTP). Apart from this, there is a fifth category of households i.e. non-poor (NP). Table 6 provides a summary of the typology of poverty in terms of the above categories. The typology in Table 6 suggests (i) a large part of the poor are in a chronic poverty condition in the duration sense, (ii) all the severely poor households are also chronically poor, and (iii) transient poverty is confined mainly to the relatively more remote village implying thereby greater impact of drought as compared to the less remote village.

The main observations emerging from the foregoing can be highlighted as follows:

- i. About 58 per cent of the sample households were in a state of chronic poverty. This constitutes 86 per cent of all the poor among the sample households.

Table 6: Distribution of Households According to the Typology of Poverty

	Pospur	Karchali	Combined
Severe Chronic Poor (SCP)	13 (27.6)	5 (13.5)	18 (21.4)
Moderate-Chronic Poor (MCP)	9 (19.1)	22 (59.4)	31 (36.9)
Severe Transient Poor (STP)	-	-	-
Moderate Transient Poor (MTP)	7 (14.9)	1 (2.7)	8 (9.5)
Always Non-Poor	18 (38.3)	9 (24.1)	27 (32.1)
All	47 (100)	37(100)	84 (100)

Source: As in Table 5.

Table 6(a): Proportion of Chronic Poor by Levels of Poverty (per cent)

Levels of Poverty	Pospur	Karchali	Combined
Severe Chronic Poor (SCP)	13 (27.6)	5 (13.5)	18 (21.4)
Moderate-Chronic Poor (MCP)	9 (19.1)	22 (59.4)	31 (36.9)
Severe	100	100	100
Moderate	24	96	61
All	45	75	60

Source: As in Table 5.

- ii. To a large extent chronic poverty is associated with severe poverty. All the severely poor are in the category of chronic poverty, whereas all transient poor are in the category of moderate poverty.
- iii. Thus, chronic poverty constitutes 100 per cent of those who are severely poor and 61 per cent of the moderate poor.

These observations substantiate the trends at macro level, which suggests that a large proportion of the chronically poor in India are also severely poor (Mehta and Shah, 2001).

2.3 Correlates of Income and Capability Poverty

Since a large proportion of the poor among sample households are chronically poor, the analysis of correlates of poverty will largely reflect the phenomenon pertaining to chronically poor. Table 7 provides information regarding some of the major characteristics of the poor and non-poor among sample households. The important observations emerging from Table 7 are:

- (i) While about 17 per cent of households are in the category of landless or semi-landless (i.e. with less than 1 acre of land), the proportion is higher among the poor (19 per cent) vis-à-vis the non-poor (11 per cent). Conversely, those having relatively larger land holding i.e. more than 5 acres constitute only 17 per cent among the poor as compared to 33 per cent among the non-poor.
- (ii) Whereas 48 per cent of the non-poor households have access to irrigation, the proportion is 43 per cent among the poor.
- (iii) These two observations together suggest that population pressure leads to poor households having smaller land holdings per capita.
- (iv) The incidence of migration (i.e. at least one person from the household having migrated during the reference year) does not suggest any direct association with household income (expenditure). In fact, the pattern is found to be different across the two villages. In Pospur, almost all (except 4 out of 47) households reported migration during the reference year whereas in Karchali only 17 out of 37 households reported at least one person migrating during the reference year.

Table 7: Correlates of Poverty Among Sample Households (Reference Year)

	Pospur		Karchali		Combined		All
	Poor	Non-Poor	Poor	Non-Poor	Poor	Non-Poor	
Landless and Marginal	7 (24)	3 (17)	4 (14)	– (0)	11 (19)	3 (11)	14 (16)
1-5 acres	17 (59)	9 (50)	19 (68)	6 (67)	36 (63)	15 (56)	51 (59)
> 5 acres	5 (17)	6 (33)	5 (18)	3 (33)	10 (17)	9 (33)	19 (22)
Access to irrigation	12 (41)	8 (44)	13 (46)	5 (55)	25 (44)	13 (48)	38 (44)
Per capita Landholding (Acres)							
Up to 0.20	27.6 (8)	27.8 (5)	17.9 (5)	11.1 (1)	22.8 (13)	22.2 (6)	22.6 (19)
0.21-0.70	48.3 (14)	27.8 (5)	57.1 (16)	55.6 (5)	52.6 (30)	37.0 (10)	47.6 (40)
> 0.70	24.1 (7)	44.4 (8)	25.0 (7)	33.3 (3)	24.6 (14)	40.8 (11)	29.8 (25)
Household with at least one adult literate member	19 (65)	11 (61)	9 (32)	6 (67)	28 (49)	17 (63)	45 (53)
Household with at least one migrating member	26 (90)	17 (94)	13 (46)	4 (44)	39 (68)	21 (78)	60 (71)
Up to 50 per cent migrating workers	6 (21)	4 (22)	5 (18)	1 (11)	11 (19)	5 (19)	16 (19)
> 50 per cent migrating workers	20 (69)	13 (72)	8 (29)	3 (33)	28 (49)	16 (59)	44 (52)
	29 (100)	18 (100)	28 (100)	9 (100)	57 (100)	27 (100)	84 (100)

Source: As in Table 5.

Note: Figures in parentheses indicate percentage of households in each category.

Karchali has relatively lower incidence of migration as measured by proportion of households in each category having at least one person migrating. This could be due to the fact that Karchali has relatively lower incidence (i.e. 13 per cent) of severely poor households as compared to Pospur (i.e. 28 per cent). Also, better connectivity with the other large village (i.e. Ramkula) as well as the market place (i.e.

Chacharia) in the case of Karchali vis-à-vis Pospur might also reduce the incidence of distress migration in the case of the former. Similarly, intensity of migration (i.e. the proportion of migrating workers to total workers in the households) is also found to be higher among the non-poor households. This suggests that non-poor households may have better capabilities that enable migration that are possibly facilitated by their relatively better land base and social capital.

Incidentally, the above observations have been supported by the information obtained through the well-being exercise in the two villages. Only 3 out of the total 46 households in the better-off category in Karchali had reported migration. Conversely, 45 out of the 84 poor households had reported migration. A similar pattern was also found in Pospur. It may be recalled that incidence as well as intensity of migration are considered as important indicators of poverty or absence of well-being in both the villages (see Table 2).

The interface between literacy and poverty is not found to be very significant. This has been examined by identifying the households where none of the adult members is literate. The remaining households have at least one adult literate member. It is observed that whereas the proportion of households with literate persons is significantly higher among the non-poor households in Karchali, literacy is higher among the poor as compared to the non-poor in Pospur. This is difficult to explain. Perhaps a proper measure of the incidence of literacy might explain this.

The above observations suggest that land holding (i.e. the primary economic asset base) has a positive association with income (or expenditure) of the households. But, this alone may not explain the incidence as well as extent (i.e. level) of poverty. The dynamics of poverty consist of a complex mix of processes including migration, which in turn, is likely to be influenced by economic, social and human capital. Some of the important aspects of livelihood dynamics in the villages studied have been discussed in section 3.

3. People, Natural Resources, Livelihood and Market

Given the fact that the study area is characterized by relatively stagnant technology, market development and poor social infrastructure,

population dynamics emerges as a critical constraint in enhancing the livelihood base and contributes prolonged poverty conditions among a large number of households. This phenomenon was clearly evident while conducting the wealth ranking exercise where fragmentation of land holdings was the most important factor for households shifting from a relatively higher to a lower well-being category. It would therefore be useful to examine the demographic profile in the light of the changing production and market environment within which exchange of commodities, labour and credit takes place. This section provides a broad account of the demographic profile as well as the resource base in the two villages so as to understand the livelihood base among different categories of households and trace some of the major changes experienced by the village communities over the past 5 to 10 years. The analysis is based on the various participatory rural appraisal (PRA) exercises conducted in the two villages.

3.1 Population and Literacy

As noted earlier Badwani district is characterized by a relatively higher growth of population as compared to the state. Similarly, Sendhawa and Pati had higher rate of growth at 4.7 and 3.2 per cent respectively vis-à-vis 2.6 per cent for Badwani district during 1981-91. Higher rate of population growth reduces the size of land holding. This is what one observes in Pospur and Karchali where average size of households is 7.0 and 5.7 respectively.

A significantly large proportion of children between 5 to 15 years are illiterate. The incidence of literacy in this age group is only 35 per cent. The proportion of literate children varied significantly across the two villages with Pospur having a higher rate of 43 per cent as compared to 28 per cent in Karchali. If we examine the incidence of literacy among girl children, the rate is only marginally lower i.e. 32 per cent than that for all children together. It may however, be noted that the estimates of literacy are based on the reported rather than the actual attendance. In that case it is likely to reflect enrolment in the school and not attainment of literacy.

3.2 Land Irrigation and Livestock

The average size of land holding is about 1.75 and 1.24 acres in Pospur and Karchali respectively. This is much below what is considered an economically viable size of say, 5 acres, especially in dry land conditions. While the number of landless households in the sample is only 2, 15 households have very small size of land holding. These 17 households together represent a category of landless and semi-landless, and constitute about 20 per cent of the sample households.

Livestock population is also fairly limited. One third of the households do not own any milch cattle. The proportion is higher i.e. 44 per cent for those who do not have access to irrigation and is 29 per cent among those having access to irrigation. The average number of milch cattle is 1.7 and sheep/goat is 2.34 among the sample households. This provides supplementary income to the poor households. The average income (in terms of cash or kind) is estimated to be about Rs. 1,440 per goat per year. Most of the poor households also engage in poultry farming on a small scale. All these activities together could provide a fairly substantial base for livelihood especially among households having little or no land.

The situation is worsened by the limited access to irrigation. While we do not have information about irrigation at the village level, the sample estimates suggest that about 45 per cent of the landed households have access to irrigation. The net irrigated area works out to 29 per cent of the total land owned by the sample farmers. Those having access to irrigation are likely to be relatively better off. According to the PRA-data, as much as 80 per cent of the irrigated land in Karchali is owned by the better-off households, whereas only 40 per cent of the unirrigated land belongs to this category of households. A similar situation also prevails in Pospur. While this is a fairly well recognized phenomenon, what is noteworthy is that in several cases poverty does exist despite access to irrigation. Clearly, smaller size of land holdings along with low levels of technology and market development might have resulted in this situation.

Land Based Activities and Income

Given the constraints on adoption of yield augmenting technologies for crop production and limited options for occupational diversification within the village economy, poverty is likely to increase both in terms of its extent as well as severity. Exit from poverty is possible only through migration. Table 8 depicts a typical scenario faced by households with an average size of land holding, and not having access to irrigation. It is observed that a typical household could earn about Rs. 2,500 in Pospur and Rs.1,800 in Karchali in a single season, from crops not requiring irrigation. In addition to this, the household can earn Rs. 1,440 from at least one goat. Together this income could fetch about 790 kg and 650 kg of grains respectively in Pospur and Karchali respectively. This is about 61 and 50 per cent respectively of the estimated requirement of cereals based on the average consumption of 1,300 kg for all the households taken together. But expenditure on cereals is only about 30 per cent of the reported total expenditure among the severely poor households. For the rest, households have to depend on other sources of employment and income. There are however, severe constraints operating on the demand side even in the

Table 8: Farm-Economy and Food Security in a Typical Household

Sl.No.	Details of Resource Base and Production	Pospur	Karchali
1	Household Size (No.)	7.1	8.1
2	Land Holding (Acre)	1.75	1.24
3	Net Return from Un irrigated Crops (Rs.)	2,500	1,800
4	Income from 1 Goat (Rs.)	1,440	1,440
5	Total Income from Crops and Livestock (Rs.)	3,940	3,240
6	Income Require for Obtaining 1300 Kg. of Food	6,500	6,500
	Grain Per Year (Rs.)		
7	Income Deficit for Meeting Food Consumption (Rs.)	2,560	3,260
8	Need to Migrate or Earn Wage Income to meet food grain requirements@ Rs. 35/ per day	73.1	93.1
9	Estimated Migration Persons Months @ 22 per month	3.3	4.2
10	Reported Expenditure (Rs./Year)	19,709	21,653

Source: Based on Estimates Derived From Sample Survey.

market for migrating workers. It is reported that on average those who migrate out for more than six months a year, are able to find paid work for 20 to 22 days per month. Besides this, supply side constraints also operate in terms of availability of young male workers in the family, and generally low preference for migration is viewed as an indicator of ill-being. For the landless and semi-landless, the coping mechanism is fairly diverse and often more uncertain. For them the major part of income is to be obtained from casual work on farm and non-farm activities within and outside the villages.

Perpetual Underemployment

Limited land (and irrigation) base among 55 per cent of the sample households (i.e. 20 per cent of the semi-landless, and another 35 per cent not having access to irrigation) is likely to have resulted in a situation of perpetual underemployment among a large proportion of labour force within the villages studied. We have tried to work out the total quantum of labour time likely to be employed on crops and related activities in three seasons (Table 9). It is estimated that on-farm

Table 9: Broad Estimates of Surplus Labour in the Farm Economy

Sl.No.	Details	Pospur	Karchali
1	Labour Absorption on Crops (Day/Acre)		
	Irrigated	240	240
	Unirrigated	144	144
2	Total Cultivated Area (Acres)		
	Irrigated	68	106
	Unirrigated	283	151
3	Estimated Employment from the Total Cultivated Area (Days/Year)	57,082	47,189
4	Estimated Labour Force (2001)		
	Total Persons	609	420
	Male	305	210
5	Persons Days (Year)	1,64,430	1,13,400
6	Surplus Labour Days (Year)	1,07,348	66,211
	Persons with Full Time Work of 270 Days per year	397	245
7	Estimated Full Employment on Farm (Male)	212	175
	Surplus Male Labour (Full Time Persons)	93	35

Source: As in Table 8.

employment on an un-irrigated farm is 144 person days per acre whereas, for an irrigated farm the estimated employment is for 240 days per acre. During a normal year this would amount to total employment of about 57,000 and 47,000 person days respectively. Against this, the total labour force in the age group of 15-60 years in Pospur and Karchali is estimated to be 609 and 420 persons respectively in 2001. Assuming that each person in the labour force could undertake work for 270 days a year, crop cultivation alone can provide full time employment to 212 and 175 persons in Pospur and Karchali respectively.

Since about 50 per cent of the total labour force are female who also take care of other activities like collection of fuel, fodder, and water, tending of animals, cooking and caring, a large proportion of the male labour force is likely to be surplus even during a normal year. If one assumes that the entire work for crop cultivation is undertaken by male members, there would still be a substantial male labour force that would be totally unemployed. This number is estimated to be 93 in Pospur and 35 in Karchali. Since women contribute a large proportion of work in agriculture, the extent of surplus labour among male population is likely to be fairly large. This itself is a manifestation of major deprivation, though it did not get projected as an important dimension of poverty in the wealth-ranking exercise. Surplus labour too reflects food grain deficit at the household level; a large part of the surplus labour force is pushed out of the village.

Ideally, livestock or forest based activities like collection of non-timber products should provide supplementary employment as well as income during these seasons. But, as discussed earlier, these options are also severely constrained because of the depletion of forests and other common property land resources (CPLRs) in the villages.

3.3 Availability of Food Grains and Droughts

Given the meager resource base, availability of food grains from own land or from wage income within the village is found to be very limited. About 18 per cent of the households in Pospur and 13 per cent in Karchali reported that food grains obtained from the above sources

last for less than five months in a year. The proportion of households reporting six months as the lasting period for foodgrains were 32 and 22 per cent respectively. Those who reported that the food grains last for more than 9 months constituted only 23 per cent in Pospur and 33 per cent in Karchali.

Recognising that cost of food grains constitute only about 30 per cent of the total expenditure among all the households taken together, a large proportion of the households may have to depend on employment/income from outside especially in the post-monsoon periods. During monsoons, borrowing for consumption requirement is a fairly common practice among a large number of households. Given the high interest rates and the stringent terms of recovery under the private money lending system, migration becomes almost inevitable for most of the poor households. This is why we find that over 70 per cent of the households had at least one person migrating outside the village for supplementing income (Table 10). Therefore to a large extent, migration is due to distress. High incidence of drought invariably worsens the situation where out-migration, combined with perpetual indebtedness, becomes a way of life for most of the households.

Table 10: Incidence of Migration by Village

Village	Migration	
	No	per cent
Pospur	4	8.5
Karchali	20	54.1
Total	24	28.6

Source: As in Table 5.

We tried to understand the coping mechanisms adopted by sample households during the current year, which is the fourth consecutive drought year in the region. Tables 11 and 12 depict the various coping devices adopted by the households. It is observed that reducing food consumption is a fairly widespread response along with reduction in livestock and increase in migration together with borrowing money. About 85 per cent of the households in Pospur and 68 per cent in

Table 11: Cereal Consumption (kg/Year)

Expenditure Group	Pospur		Karchali	
	Ref. Year	Normal Year	Ref. Year	Normal Year
<1000	420	570	–	–
1001 – 1500	660	806	–	–
1501 – 2000	810	1,275	1,340	1,360
2001 – 2950	1,200	1,455	1,274	1,250
2950+	1,261	1,410	1,733	1,811
All	1,076	1,288	1,396	1,404

Source: As in Table 5.

Karchali reported reduction in food consumption as a coping mechanism to face the drought. This would imply reduction in food grain and/or other food items like vegetables, oil, milk, sugar, meat, etc. We have tried to work out the per capita consumption of cereals during the reference (i.e. a drought) year and a normal year across different expenditure groups. It is observed that the cereal consumption had declined by about 16 per cent in Pospur whereas in Karchali the

Table 12: Coping Strategy During Drought

Impacts of Drought	Pospur	Karchali
1. Children withdrawn from school	23.4	8.1
2. Started doing inferior works	25.5	27.0
3. Reduced Consumption of Food	85.1	67.6
4. Decline in Livestock	89.4	64.9
5. Increased Indebtedness	78.7	67.6
6. Increased Migration	76.6	37.8
7. Land leased out	10.6	2.7
8. Couldn't pay for treatment during illness	40.4	32.4
9. Livestock sent away with relative	17.0	5.4
10. Land/Assets mortgaged	29.8	27.0
11. Land sold	4.3	–
12. Fodder problems	51.1	64.9
13. Others	8.5	–

Source: As in Table 5.

decline was almost negligible. This supports the observation made earlier regarding the relatively more severe impact of drought reflected in estimates of transient poor in Pospur vis-à-vis Karchali. The reduction in cereal consumption in Pospur was as high as 36 per cent in the case of households in the expenditure category of Rs. 1,501 to Rs. 2,000 per capita per year. This kind of severe reduction in cereal consumption among the poor may lead to long term impact on the health and overall capability of the members of the households. Droughts could also cast a negative impact on children's education and thereby hamper development of human capability. Malnutrition, ill- health and low education together can lead to multidimensional and long duration poverty in this region.

3.4 Credit vs. Migration: Limited Options

The people having poor resource base and subsistence livelihood are faced with the problems of limited options of employment and diversification of sources of income. While a part of this is likely to be rooted in the low level of social as well as human capital, the major constraint arises due to the low level of and (spatially and sectorally) imbalanced economic growth in the region. We tried to understand this phenomenon in the light of the farm-based economy, within which options for consumption loan (i.e. borrowing) as well as migration are shaped. This has been done by extending the analogy of a 'typical' household of average size having average size land holding without access to irrigation. This in fact, would set a limit to the household's income from its own resources within the village, and at the same time determine its need to borrow and/or migrate.

Ideally, credit and migration work as substitutes. Absence of a 'good' credit support is seen to be a major cause of migration at least for the distress type. However in the case of those with limited land as well as irrigation resources, migration is clearly a more effective option because of the limited 'credit worthiness'. In fact in a dynamic context, migration might help to enhance the credit worthiness, especially by increasing their ability to service and repay debt. This would imply that given the limited land base and the uncertainty

associated with the stream of income flowing from the land based activities, migration becomes inevitable for most of the poor households. A 'good' credit support could reduce the burden of migration, whereas a 'bad' credit system might increase it. But credit support, can hardly be a substitute for migration unless the household's resource base and the corresponding 'credit worthiness' is enhanced. Occurrence of a shock or lumpy borrowing for social events like marriage, death and at times sickness may further turn the equation against the poor borrowers.

While this is a fairly well observed phenomenon pertaining to a large number of poor households in different parts of the country, what is relatively less recognized is that, enhancing access to credit by the poor involves substantial investment in basic factors of production by the state. In a market based system, credit worthiness of a typical household cannot be greater than the total expected income from factors of production and assets like silver, etc. owned by them. Since we do not have information about the ownership of assets by these households, we assume that the total eligibility of the household would be 1.5 times that of the stream of expected income from land and livestock. This would work out to about Rs. 5,000 to Rs. 6,000 per year. Assuming that the household borrows the entire amount at different times in the year, it would still fall short by about Rs. 8,000 to Rs. 10,000 for meeting the other basic requirements. In most cases, this kind of income-deficit cannot be supported even if a 'fair' system for credit exists. Migration thus becomes inevitable. In the villages studied the households tend to migrate in order to be able to borrow (rather than not borrowing).

The above observation was further substantiated through our detailed discussions with some households, which indicated that certain amount of borrowing is part of their life; they would not increase the duration of their stay at the place of migration so as to be able to stop borrowing. Similarly, borrowing is considered a better option than migrating for a year. It was noted that earning a 'surplus' income meant more consumption, especially in the form of liquor, etc. rather than as a source of capital formation.

To an extent, relatively low preference for migration is due to hostile conditions prevailing at the place of migration. For instance, those who migrate to Maharashtra for non-farm employment have to put up with make-shift accommodation, have unspecified jobs and working hours, and have to take care of all the basic household chores like fetching drinking water, cooking, cleaning, etc. Besides, the manner in which the employer treats them is often disgraceful. In the event of a minor illness, the employer arranges for treatment by lending a part of the wages earned. Also opportunities for getting employment for longer periods of time are very few. Hence, most of the households do not prefer to migrate for a longer time if it is possible to borrow. There are, of course, a few households that reported permanent out-migration of their close relatives in the last 20 years. The proportion of such households is 13 per cent.

The situation gets further aggravated if the household faces shocks like droughts (which are fairly frequent in the region), or borrows big sums of money (much beyond the credit worthiness) on account of social functions like marriage or death etc. It is estimated that a household borrowing Rs. 5,000 to meet the social function may fall into a debt trap which would increase the duration of migration by a couple of months each year over the next five years. Meanwhile, if droughts occur, the repayment period might get stretched further. The spiral is difficult to break, especially if the household does not have able-bodied young men who could out-migrate. In that case, the result could be net depletion of household assets such as silver, livestock, or land. The participatory investigation in Karchali however, suggests that selling of the entire land due to indebtedness is quite rare; though losing silver and/or livestock especially bullocks is fairly widespread. These households are likely to get deeper into chronic poverty.

Thus, the dynamics of borrowing and migration among the resource poor households suggest limited borrowing capacity; frequent shocks of droughts leading to excessive borrowing, lower preference for long duration migration, perpetual under-nourishment, and almost negligible investment in human capital. Ideally, the state supported programmes along with market development could help provide some reprieve.

Moreover, devolution of power to the PRIs could facilitate the process. How far these expectations have been realized in actual practice has been discussed in the next section.

4. State Support, Market Development and Marginalisation

4.1 State Initiatives and Markets

Information was collected through PRA regarding the major initiatives undertaken by the state and access to markets. Following observations emerged from the exercises.

- (i) The state has played a pro-active role in terms of settlement of land rights for those who lived in the forest area. As a result landlessness is quite marginal. There are however, problems of updating land records at the time of sub-division of holdings. The issue of access to and stakes in management of forest remains unresolved.
- (ii) Adoption of high valued crops like soyabean was promoted by the state agricultural extension services. This crop has been adopted widely, covering about 50 per cent of the crop-land, especially in Karchali. Adoption of this crop has increased the net returns to about Rs. 5,000 per acre (under irrigated condition) vis-à-vis Rs. 1,400 for the traditional grain crop i.e. maize. Of late, the crop has started facing severe pest problems partly due to monoculture and partly due to the changing (rather deteriorating) vegetation in the adjacent forests. Despite this, farmers continue to grow the crop because of the better returns. Those who have access to irrigation also prefer to grow cotton in the expectation of high returns. The farmers not having access to irrigation are compelled to choose cereal crops like maize or sorghum. These crop preferences are found in all households irrespective of the size of land holding or extent of indebtedness.
- (iii) Almost all the irrigation wells are privately owned on the basis of investing resources or borrowing from friends/relatives, and as a last resort from moneylenders. We do not have information about what part of the private investment in irrigation wells had been

supported by any of the institutional finance systems, which exist in nearby towns. It is however, likely that many of the farmers having access to irrigation received financial support from the various anti-poverty programmes such as IRDP, Million Well Scheme, and Co-operative Credit Society.

- (iv) Connectivity to markets is another important development that has taken place over time. While both the villages are located at a fair distance from the metalled road used by the state transport service, in the recent times, the villages have been connected by a kachchha road, which is useable for eight months except during the monsoon season. Moreover, both villages have at least one motored-vehicle - a tractor in Karchali and an auto-rickshaw in Pospur. These are often used by the community to meet an emergency situation, such as severe/sudden illness. These services are made available free of cost or based on charging the fuel cost, depending on the social networking.
- (v) The villages studied have some of the basic services like hand pumps for drinking water, (which seem to be functional even during the drought), primary schools, and health and agricultural extension workers visiting the village. Moreover, the State Government also supports a public distribution system (PDS) for food grains, which specially cater to the poorest of the poor. The PDS seems to have been working moderately well in both the villages. This was also reported by a large number of the sample households who accessed the PDS (89 per cent in Karchali and 85 per cent in Pospur).
- (vi) Limited resource base has prompted effective demand for controlling the number of children among most of the households. This was clearly stated by the people in Karchali during a PRA exercise. While this suggests information support with respect to family planning, the physical infrastructure for the same is almost absent. Unfortunately, the place does not have enough facilities for conducting family planning camps. Physical remoteness might be a reason for this.

It is quite likely that the above changes have influenced the households at differential rates. It appears that those with better land

(and irrigation facilities) can escape from chronic poverty. Among the rest, those with some base of natural, social and political capital can escape from it for some time. The rest, with no resource base, are severely poor. This is perhaps why we observe Karchali having a larger proportion of chronic but, less severely poor, as compared to those experiencing severe-chronic poverty. To what extent local governance especially, through PRIs has helped mitigating or accentuating the process of marginalisation needs to be discussed.

4.2 Community and Polity

Villages in this tribal region, are governed by informal but traditional social norms, and are guided by hereditary leaders. These traditional leaders are the chosen ones, whom the community considers well acquainted with their problems and capable of solving them. In Karchali, Recha Patel, his brother Mangilal and the *Pujari* (traditional health provider) are important traditional leaders. They are economically well-off, have large agricultural holdings, modern irrigation equipment and are considered risk takers who have changed the pattern of agriculture in the village. The traditional leadership in Pospur is with Police Patel, and Gachia (who is also the *Upsarpanch* in Pospur-Gupsee Panchayat). The traditional leaders in Pospur are not economically well-off. They were much better off economically a generation ago but division of land rendered them small landowners. Families with members working in government jobs are in a much better economic condition now. In both the villages, the traditional leaders have a strong hold on the community, especially with respect to social and religious affairs of the village.

Decentralized governance has created another set of elite in the village, which is strongly challenging the existing power structure in the village (Sah and Bhatt, 2002). The emerging political leadership has economic superiority, understands the non-tribal administration and government programmes well, and has oratorical abilities. A third set of leaders that is emerging is a group of young and educated (up to class 10) tribals having some understanding of laws that govern the Panchayat, and knowing the weaknesses of the existing system of

decentralized governance, and pattern of fund flow to Panchayat. They work closely with the *Sarpanch* and corner the bulk of the benefits meant for the village in the form of loan, subsidy and employment opportunities.

The villages studied are divided; social power is still with traditional leaders whereas economic power is with political leaders. In Karchali, this divide is not very prominent since traditional leaders are also enjoying economic prosperity in close association with the *Sarpanch*. But in Pospur, where the traditional leaders have not significantly benefited from the *Sarpanch*, the divide is very pronounced. But political leadership in both the villages operates uncontrolled and is neither answerable to the community nor its leaders. The *Sarpanch* is however answerable to the community once in 5 years when there is election where complex interface with the various power structures come into play.

Perception of the Community

The communities in both the villages have expressed that *Gram Sabha* meetings are not organized on a regular basis and consequently their participation in the *Gram Sabha* has significantly reduced in the last few years. Unfulfilled expectations and livelihood struggles (migration) also do not create a conducive environment for larger participation of the community. The community feels that programmes and developmental works are unequally distributed with benefits accruing to the people and the village to which the *Sarpanch* belongs. In Karchali, the *Sarpanch* embezzled welfare payments for pensioners and the disabled. The discretionary nature of his disbursements could be seen as reinforcing the existing patron-client relationships.

Discussions with the villagers reveal that major benefits of assets transfer have accrued to only influential families of the village. The *Gram Sabha* has played no role in identifying the beneficiaries. The *Sarpanch* decides who would get benefits of the asset transfer programmes. In the last few years this support is first in the form of irrigation asset transfer to a few well to do households, intensification of investment in their farms after some time, and then meeting their

replacement demands. Important loans were for (a) diesel and electric pumps, (b) water distribution pipes, in undulating topography the replacement demand is high, and (c) animal purchase. In both Karchali and Pospur those who were close to the *Sarpanch* have received multiple loans and subsidies in the names of their brothers and sons. Corruption is rampant in order to receive these loans. Clearly, the asset transfer programme of the Panchayat has not only failed to reach the poorest but has helped well-connected rich tribals to corner the bulk of the benefits.

The implementation of employment schemes in the two villages is no different; villagers in general are unaware of when and where any public works programme would be taken up by the Panchayat. These decisions are never taken in the *Gram Sabha* but are always taken by the *Sarpanch*. The only employment the villagers get is in afforestation projects, that too mainly for seedling transplantation. This is the only time when large number of villagers is employed. The last three years being drought years, Janpad Panchayat stopped all other programmes and diverted large part of its resources in creating community water conserving structures in the area. Villagers however complained that they do not know about the work progress schedule. Consequently, they are deprived of the much needed employment. The other complaint of the villagers in both Karchali and Pospur is that employment programmes have primarily benefited villagers in Ramkula and Gupsee. The beneficiaries of employment generation schemes did confess that they received stipulated wages in the food for work programme -Rs 15 plus 5 kg of wheat -but the total quantum of work provided by the Panchayat (15 days of work per family per annum) is inadequate. The food for work programme did not provide adequate employment to the villagers but it did manage to establish new power relations and reinforce economic exchange to perpetuate these power relations. When only a few villages received some employment in the construction of water conservation structure, Ramesh's tractor was used and his close relatives were employed in these programmes. This kind of development, say the villagers, is a reason for our not participating in the *Gram Sabha* of the Panchayat.

According to the Secretary of the Pospur *Gram Panchayat*, lack of financial resources is one of the important reasons for unfulfilled expectations of the community. This in turn results in lack of people's participation and faith in the Panchayat. Out of about Rs. 0.25 million allocated to the Gram Panchayat, one-fourth is untied allocations to meet local needs, whereas over three-fourth of the funds are for state and centrally sponsored schemes for which decisions are not taken locally. The current year being a drought year, the allocation was increased to Rs. 0.4 million but all the funds were for employment generation for creating water harvesting structures. Even in normal years, the untied funds are too small to meet all the demands of the villagers. Moreover, the party politics at the district and state levels also affect the flow of funds from district and Janpad Panchayat. Unless the nexus between the various loci of power within the tribal communities in the villages studied is broken, the state initiated developmental initiatives are unlikely to reach the poor and the marginalized.

5. Summary of Findings and Implications

The above discussion on the people, their livelihood, and the changes experienced over time, bring out two important observations: (i) increasing population pressure, in absence of a significant improvement in crop technology and avenues for occupational diversification, has pushed a large number of rural households into a spiral of 'poor resource base, limited borrowing capacity, and out-migration'. But, options and outcomes of migration are also fairly limited, thereby creating conditions of prolonged under-nourishment and low human capabilities. The children born in these households are most likely to inherit poverty, which may accentuate over time primarily because of the continuing erosion of their resource base. Droughts and exploitative credit institutions tend to worsen their conditions. (ii) The state has made several interventions in terms of provision of physical infrastructure, settlement of land rights, diffusion of crop technology, public distribution system for food, and special programmes for poverty alleviation. Most of these have made some inroads into the people's livelihood base. But these interventions are inadequate in overcoming

the basic resource constraints faced by the poor. Most of the interventions influencing the natural resource based livelihood systems are undertaken on piecemeal basis, often focusing on individual households rather than the community. Institutions based interventions like provision of health, education and credit services are almost defunct primarily because of the power structure and corruption that cripple the system. Breaking these thick walls would need multiple and prolonged efforts, which could mitigate some of the basic constraints faced by the people.

Main Findings

- The typology of poverty in sample villages, by and large, confirms the existing pattern observed at the macro level. The incidence of poverty in the two villages together is 68 per cent, which is very close to that of South-West MP. Similarly it substantiated a macro level finding that a large part of the severely poor is also chronically poor.
- Whereas incidence of poverty is slightly higher in the less remote village, the proportion of severely poor is much lower than in the more remote village. In fact, the former does not have any household in the category of 'ultra poor' i.e. having a per capita annual expenditure of less than Rs. 1,500. A similar observation also emerged through the wealth ranking exercise.
- Decline in consumption expenditure during a drought year is higher in the case of non-cereal consumption as compared to the case of cereal consumption, thus, confirming Engel's Law.
- Chronic poverty constitutes a large proportion of the poor. Only 8 out of the total 57 poor households (i.e. 14 per cent) had moved from the category of non-poor to poor, and thereby suggesting a situation of transient poverty. The remaining 86 per cent of the poor were chronically poor. Of these, about one-fourth had moved from a relatively lower to a higher level of poverty.
- Incidence of poverty is found to be negatively associated with the size of land holding and household population as reflected by per

capita land holding. Access to irrigation appears to be more or less the same across the poor (44 per cent) and the non-poor (48 per cent). The other factors such as literacy and migration do not seem to have a systematic pattern of association with poverty. To a large extent, the deviation from the expected pattern could be attributed to the inadequate specification of variables used in the exercise at this stage. Nevertheless, at least one person migrated from every household during the reference year. However, the number of migrants is significantly greater in case of the more remote village compared to the less remote village. The proportion of households reporting migration is 92 per cent in Pospur vis-à-vis 46 per cent in Karchali. Similarly, the proportion of migrating households was found to be higher i.e. about 32 per cent in the case of poor and 22 per cent in the case of non-poor. The association between poverty and migration however, appears to be fairly complex. It is plausible that households at both the ends of the income range in the initial period may have higher incidence of migration though, with different causes as well as outcomes. If so, it is essential to ascertain the initial income i.e. in absence of migration and identify the pattern of migration among the households with different levels of income or expenditure classes. This will also help to understand the economic rationale as well as the impact of migration in a dynamic context.

- The analysis of poverty does suggest a negative impact of remoteness on severity and chronicity of poverty, which is higher in Pospur than in Karchali. But, a part of this is also by design of the selection of sample villages, where the former is placed with not only physical remoteness (in terms of road, transport, markets), but also with relatively more adverse agronomic conditions (in terms of type of soil, irrigation, land holdings etc.). To what extent 'remoteness' of various kinds, especially social and political, explains relatively more severe poverty conditions in Pospur vis-à-vis Karchali is the central question that needs to be addressed through a more detailed investigation using a multidisciplinary framework. The important questions that need to be probed in this context have been listed below as tentative hypotheses.

Tentative Hypotheses

- i. While economic assets are an important pre-condition for determining poverty that alone does not explain a significantly large part of poverty.
- ii. Access to natural resources and markets rather than physical remoteness explain the difference in income (expenditure) levels across the two villages.
- iii. Migration is a critical coping strategy for both the landless (including the marginal farmers) as well as the landed, though the impact is different for the two. In the case of the former it helps shifting from severe to moderate poverty, whereas in the case of the latter it helps retaining the status of moderate or non-poor.
- iv. Human capital in terms of literacy does not have significant influence on the present level of income among the poor. But, literacy may help to enhance income among the non-poor.
- v. Given a relatively homogenous region (or district), market access is influenced more by overall economic development of the sub-region (i.e. Taluka) as compared to physical infrastructure like distance from the road, transport facilities, and amenities like schools, health centres, electricity, etc. at the village level.

The above hypotheses could ideally, be examined through a large data set covering a number of locations across regions with significantly heterogeneous conditions with respect to economic, social and physical infrastructure. Since the present study is located within a fairly homogenous setting of South-West Madhya Pradesh, it may not be ideally suitable to capture the impact of physical remoteness on poverty. The need therefore, is to undertake a rigorous analysis of the economic as well as non-economic processes obtained in the region experiencing a perpetual high incidence of poverty and perhaps, its accentuation over time. This may be taken up in the next phase of the study.

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